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overwhelming that business concerns are eager to respond; they need merely be shown in what ways they may be of service and guaranteed minimum returns for their efforts. A selective recruiting of this sort does not imply commandeering of private wealth; it is not un-American. It means merely that the government gives to certain business men the opportunity and the honor of rendering service in the common cause of humanity. American business men are every day demonstrating their willingness to sacrifice present lines of business provided they are given prompt opportunity to render service to the country. It is time that we generally recognize that this country does not shirk responsibility. It is time that we cease hesitating to disturb normal pursuits by governmental action; for they will shortly be more seriously disturbed by the unorganized and undirected economizing of the consuming public. Fortunately in the reorganized War Industries Board, machinery is now being rapidly developed for accomplishing by intelligent social direction what would in any case eventually be accomplished by unintelligent, undirected and time-consuming individual retrenchment.

## STIMULATING LABOR EFFICIENCY IN WAR TIMES

BY RICHARD A. FEISS,

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To face the situation involved in the problem under discussion we must have hope, but unfortunately, I fear we have a tremendous lot of unpreparedness. Seriously speaking and quoting one of my friends, who I believe is as close to the heart of the industrial situation in America as anyone, "We are facing within the next three to six months what is likely to be a crisis that means win or lose—not at the front, but here at home in the industrial world." That situation is arising from the lack of appreciation of what has gone before and from the want of any appreciation of the fact that every element, including above all that element known as the labor question or the industrial question, is the very essence of the mobilization of those forces necessary to win the war.

To solve these problems it seems to me they must be approached from two specific directions, and I will try to touch upon some of the

things that have appeared to me as being more or less material to the solution of these problems. These two points of view are—first, the point of view of education, and second, that of organization. There must be a distinct program both as to education and as to organization to solve the question involved in the stimulation of labor as an essential to the accomplishment of our purpose in this war.

From the point of view of education, you have perhaps heard a very good church member and high type of business man, riding on the street car, boast rather proudly of the fact that he had escaped the notice of the servant of the public service corporation and got by without paying his fare. That is a strange philosophy, or at least there are strange moral standards involved in that little incident that, through the process of greater contact with the government become developed, and, unfortunately, over-developed in times of this kind. It has been sad, although interesting, to see how the community at large the minute it comes in contact with the government loses a certain amount of moral stamina and becomes more or less unscrupulous, or at least, shuts the right eye when the left hand is acting, in connection with transactions which involve profit and which involve, on the other side, the government.

We have heard so much about labor and capital that it has become one of our trite subjects. We have talked so much about the possibility of their coöperation—probably because we felt, or at least because the public to such a great extent felt, that there were two distinct sides in a great controversy over one thing or another, either time or wages, or just things in general, because it seemed to be part of the game to be at odds. We have between these "arch enemies" of old, when it comes to the question of working for the government, a sort of a silent unconscious pact, and that silent and unconscious pact implies the same silent and unconscious condonance that the one fellow has who has stolen the ride for the other fellow who would like to. Both employer and employe have put into the situation this peculiar moral status, or rather lack of it, which at this time, when the government must obtain necessary supplies regardless of the cost, has been taken advantage of in order that both employer and employe might profiteer.

I could quote from my experience in Washington a number of specific instances where employes are doing work on government

contracts similar to that which they do on civilian work, and they are demanding and receiving wages from 100 per cent and 200 per cent greater than demanded on civilian work. Now, if it were civilian work the employer would be at odds with the employe, but not so on government work. The employer knows that the profit he is paid by the government, in some way or other, even if it is at a set price, is figured on the basis of a percentage of the money he has expended in either materials or labor or both. Consequently, the higher the cost of labor—being labor employed only for the period of the war—the greater the profit to him.

That may be a new point of view, but one would be surprised to know how universally this exists. My point of bringing it in here, beside as a matter of interest and beside being one of the many complications that have arisen, is that it directly bears upon the question of labor and the stimulation of labor. There has been a stimulation through this unconscious pact against the government between employer and employe—a stimulation not to greater effort but to greater wages. This constitutes a great part of the problem that has to be solved in the near future both by education and organization.

The attitude that I have illustrated by reference to the public service corporation, or latterly by the attitude toward the government's work, is and must be solved first by a process of education. We must get better morals in order to win the war. The same process of education is necessary as, for example, in regard to liberty bonds. The fact is if you do not buy bonds, your money will be taken away from you by taxation. The government must have money. The spirit toward subscribing must be one not of feeling pride in having given, but feeling it rather as a duty unperformed if you have not given.

Education has to go even further. It has to go to employers employing every man and woman in the United States in a matter relating very vitally to the achievement of industrial stimulation—namely, every man and woman has to learn that sacrifice means sacrifice in every respect. No man or woman can expect to have a wage and income that will rise in proportion to the cost of living. It is useless to fool yourself, whether you are capitalist or laborer, that your income can keep apace with the increased cost of living during the war. You and I, and everybody, must out of the value of his own dollar pay part of the tremendous cost of this fight, and that is another thing that has to be attained by education.

Now, to touch briefly upon organization, I will say that there are two sides to organization. One is the fact that in order to win the war every private industry and every private activity in a community must be organized on the most sound basis in order to solve the questions involved. Now the question of labor stimulation starts at home, and labor stimulation must be along lines which have been developed and principles which have been proven by our foremost industrial organizations and industrial leaders. These principles have been accepted by the labor organizations in England, which have gone direct to the mat with their former prejudices and have adopted the things that were fought and are still being fought in America, such as the application of scientific standards and many of the other means developed under so-called scientific management, which must be applied in order to set fair standards and fair methods of stimulation. We have not learned that yet. The questions of fair wage and of proper hours—the latter to be determined scientifically—must be solved.

I will give just one example of the question of wages that has to be solved by a process of organization. In the Joseph & Feiss Company, of which I am a member, this problem has been under consideration for a great number of years, and it is believed that, together with others, we have developed what is going to be considered the proper plan in this emergency, and if it is the proper plan in this emergency, it will be in the future. The question of stimulation depends upon housing, upon such conditions as are called welfare conditions, but also and all the time, upon wages and the methods of applying and solving the wage question. Now the particular method I speak of comes down to the question of an analytical solution. The wage scheme that I wish to mention considers the wage as a reward for different elements constituting the value of a worker. What is there that should be stimulated in a worker by means of wages? Those things must be separated and paid for separately and distinctly. For instance, our workers are paid for output, a man in the office, a man in an executive position and a worker at the machine, are paid for output by one of two methods. The operator on machines is paid for his output in accordance with the scientific task and piece rate system where the tasks or standards are set by scientific methods and based upon analysis.

So, in another position, in the office, or executive work, output,

or the performance of duties, is measured by analysis of the job, and the setting up of standards and wages are periodically adjusted in accordance with individual performance. Other things are paid for separately, such as attendance. An organization is worth nothing unless the steadiness of the workers can be relied upon, and the stimulation of output depends above all things upon the saving of time that is unnecessarily lost either by unscientific methods or by lack of steady attendance. That is the other great element to be paid for, and that particular element is paid for by us by bonus. Likewise, there is a loss of bonus for lack of attendance.

The other paid element is for general steadiness or the length of service, and this very directly affects the problem of labor turnover. The greatest economic loss today in the industrial world is the shifting of labor from one employment to another. It is a great loss to the employer and the employe, and the morale of the whole community is affected. I will say that our plan for payment for continuous service which gives to a man, whether piece work or day work, a distinct payment for length of service, means a step in the right direction. A separate bonus is paid him day by day and increased every year on the anniversary of the date of his employment until he has been thirty years in our employ. This can be invested separately or put in a savings fund that will make a pension for him greater than any pension system I know of without any mutual bearing of losses.

Now, this I am giving merely as an example to show how in my opinion human nature must be stimulated to greater effort. The public must tackle this proposition from the broader point of view, taking into consideration all the elements involved. That broader point of view is to my mind the most democratic one. We cannot have a board for this and a board for that and the one competing against the other in this emergency, as we have now. We have to do the same thing to win the fight at home as abroad.

The most democratic institution in this fight for democracy has been the selective draft. Regardless of where you stand on the theory, regardless of who you are, if you are fit to fight you are put where you belong. We have been told that ten men are needed—and I think that is a very small estimate—for every man at the front, and the great solution to my mind and one that will be the greatest democratic move on record, is the conscription of every man and

woman in the United States who is able-bodied and able to do his or her share in the right place for the war in the right way. Unless we make moves in this direction we cannot win, and the solution depends upon the philosophy or the sentiment, guiding us as a nation and the leaders of our nation; and the whole thing resolves itself purely and simply into the question of whether the men who are elected and chosen to represent the people, as executives, administrators or legislators, take the point of view that they are mere servants and followers of the people or whether they are their educators and leaders.